



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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**Gloria Molina
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Don Knabe
Michael D. Antonovich**
Commissioners

April 08, 2014

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

5-D April 8, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**AWARD A JOB ORDER CONTRACT
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends award of one Job Order Contract (JOC) to the apparent Lowest Responsive and Responsible Bidder to provide maintenance, repair, refurbishment, rehabilitation, retrofit and other repetitive-type work for the Community Development Commission (Commission).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the award of JOC 12 is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this letter and in the record of the action.
2. Award a Job Order Contract (JOC 12) to World Wide Construction for a not-to-exceed amount of \$500,000, to be financed with various program funds included in the Commission's approved Fiscal Year 2013-2014 budget.
3. Authorize the Executive Director, or his designee, to execute the JOC in the form previously approved as to form by County Counsel and to establish the effective date following receipt of approved Faithful Performance and Payment for Labor and Materials Bonds filed by World Wide Construction.
4. Authorize the Executive Director, or his designee, to issue work orders for maintenance, repair, refurbishment, rehabilitation, retrofit, remodeling and other repetitive-type work, on an as-needed basis, to World Wide Construction, in the aggregate work order amount not-to-exceed the maximum amount of the JOC.

5. Authorize the Executive Director, or his designee, if necessary, to amend or to terminate the JOC or to terminate the Contractor's right to proceed with the performance of the JOC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will award a JOC to the apparent Lowest Responsive and Responsible Bidder.

The JOC program is a flexible, cost-effective, unit price, and indefinite quantity contracting method used to effectively and efficiently accomplish maintenance, repair, refurbishment, rehabilitation, retrofit and other repetitive-type work for Commission projects including the Residential Sound Insulation Program, Community Business Revitalization Program, Single-Family Grant Program, Community Development Block Grant projects, and other Commission projects without extensive plans and specifications. This process reduces administrative costs, and lowers direct construction costs while meeting all Federal, State, and County procurement requirements.

JOC programs have been successfully implemented by the Commission, County's Internal Services Department, Department of Public Works and other local and federal agencies.

As required by the California Public Contract Code section 20128.5, the proposed JOC will have a one year term, and will be used for maintenance, repair, remodeling, and refurbishment or other repetitive work, but will not be used for new construction.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The contract will be funded with various project funds that have been included in the Commission's approved Fiscal Year 2013-2014 budget. Funds for Fiscal Year 2014-2015 will be included in the annual budget approval process.

The Commission will incur JOC expenditures to the extent that project funds are available. Total expenditures will not exceed \$500,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On April 3, 2012, your Board approved the award of a contract to the Gordian Group for consulting services to assist the Commission with the development, implementation, and support of the JOC program. The Gordian Group prepared the JOC Construction Task Catalog, which includes the labor, equipment, material costs and specifications necessary for work under a JOC. The JOC Construction Task Catalog was updated in September 2013, and adopted by your Board on February 18, 2014.

The program is being primarily federally funded, and is not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, World Wide Construction will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The JOC has been approved as to form by County Counsel and executed by World Wide Construction.

ENVIRONMENTAL DOCUMENTATION

Pursuant to Title 24 of the Code of Federal Regulations, Sections 58.35 (a)(3)(i) and (ii), this action is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. The recommended action is categorically exempt from CEQA. JOCs provide facilities repairs, maintenance, retrofit, and refurbishment services requested by the Commission, which are generally categorically exempt under Section 15301, Class 1 of the State CEQA Guidelines. The proposed projects are covered by the general rule that CEQA applies only to the projects that have the potential for causing a significant effect on the environment. Your Board's approval of the JOC does not include approval of work done pursuant to specific work orders. The implementation of each work order under the JOC shall be subject to prior determination and documentation by the Commission that the work is categorically exempt from CEQA. In the event the work is not exempt, your Board will be requested to approve the appropriate environmental finding and any applicable documentation pursuant to CEQA prior to implementation of work orders under the JOC.

CONTRACTING PROCESS

On October 21, 2013, the Commission publicly advertised bids on an open-competitive basis, in accordance with applicable Federal, State, and County requirements, to identify contractors to complete work on the JOC program. Announcements were sent to 451 contractors identified from the Commission vendor list. Advertisements also appeared in eight local newspapers and on the County and Commission websites.

On November 25, 2013, eight bids were received and formally opened for JOC 12 (CDC13-226). The lowest bid, submitted by World Wide Construction, was determined to be the lowest, responsive and responsible, and is being recommended for the JOC award.

An Appeal of a Protest Determination was held on February 13, 2014, pursuant to the request of Rites of Passage Industries, the eighth lowest bidder. The Hearing Officer determined that the assertions claimed by Rites of Passage Industries were without merit. In any event, this bidder was not responsive to the bid requirements because it had not submitted the required bid security with its bid bond.

The Summary of the Outreach Activities and bid results are provided as Attachment A.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The use of this JOC will expedite the completion of maintenance, repair, refurbishment and other repetitive-type work for Commission projects in a timely and cost-effective manner.

The Honorable Board of Supervisors

4/8/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:cc

Enclosures

ATTACHMENT A
Summary of Outreach Activities
Job Order Contract 12

On October 21, 2013, the following outreach was initiated to identify a contractor for the job order project.

A. Newspaper Advertising

Announcements appeared in the following local newspapers:

LA Times
The Daily News
International Daily News
LA Opinion
L.A. Sentinel
Dodge Construction News/Green sheet
Eastern Group Publications
Wave Community Newspapers

An announcement was also posted on the County and Commission websites.

B. Distribution of Bid Packages:

The Commission's vendor list was used to email out Invitations for Bids to 446 contractors. As a result of the outreach, 76 bid packages were requested by contractors.

C. Pre-Bid Conference and Site Walk

On November 5, 2013, a mandatory pre-bid conference was conducted for JOC 12 (CDC13-226). Thirty-five firms were in attendance.

D. Bid Results:

On November 25, 2013, a total of eight bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Composite Ratio</u>
World Wide Construction	0.5300
KLD Construction Corp.	0.6705
PUB Construction, Inc.	0.9375
Access Pacific, Inc.	1.0701
Bella Innovations Dev. & Const.	1.1221
New Creation Builders	1.1850

Rites of Passage Industries	1.3512
Karabuild Development, Inc.	1.8100

Contractors provided Adjustment Factors which will be applied to items listed in the Construction Task Catalog (CTC) in order to determine the cost of jobs.

World Wide Construction's Adjustment Factor of 0.5300 indicates that World Wide Construction will charge the Commission 53.00% of the listed price for items in the CTC.

E. Minority/Female Participation

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
World Wide Construction	Minority	Total: 5 4 Minorities 1 Woman 80.00% Minorities 20.00% Women
KLD Construction Corp.	Not a Minority	Total: 10 10 Minorities 1 Woman 100.00% Minorities 10.00% Women
PUB Construction, Inc.	Minority	Total: 14 13 Minorities 3 Women 92.86% Minorities 21.43% Women
Access Pacific, Inc.	Minority	Total: 12 11 Minorities 4 Women 91.67% Minorities 33.33% Women
Bella Innovations Development & Construction	Not a Minority	Total: 8 8 Minorities 0 Women 100.00% Minorities 00.00% Women

New Creation Builders	Minority	Total: 24	24 Minorities
		4	4 Women
		100.00%	100.00% Minorities
		16.67%	16.67% Women
Rites of Passage Industries	Minority	Total: 2	2 Minorities
		1	1 Woman
		100.00%	100.00% Minorities
		50.00%	50.00% Women
Karabuild Development, Inc.	Not a Minority	Total: 13	9 Minorities
		1	1 Woman
		69.23%	69.23% Minorities
		07.69%	07.69% Women

The Commission conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Commission.

The recommended award of the JOC is being made in accordance with the Commission's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: Job Order Contract 12
Location: County of Los Angeles
Bid Number: CDC13-226
Bid Date: November 25, 2013
Contractor: World Wide Construction
Services: Authorizing the Community Development Commission to award a JOC to World Wide Construction to provide maintenance, repair, refurbishment, rehabilitation, retrofit and other repetitive-type work for various Community Development Commission projects.

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Construction Task Catalog and Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, Other Statements of Bidder.

Time of Commencement and Completion: This is an annual JOC for repair, remodeling or other repetitive work to be done according to unit prices specified in individual Job Orders. The effective date of the JOC shall be the date that the JOC is fully executed. All job orders must be issued within one year from the effective date of the Contract. In the event that a Job Order has been timely issued within such one year period, but the work has not been completed within such period, the work may be completed thereafter, subject to all provisions of the JOCs.

Liquidated Damages: Should a Contractor fail to substantially complete the work specified in the Job Order in accordance with the approved construction schedule, and provided the Contractor has not previously obtained a written extension of time from the Contracting Officer according to the General conditions, a sum appropriate with the following schedule may be deducted from each succeeding request for payment as liquidated damages on each Work Order if applicable.

SCHEDULE FOR LIQUIDATED DAMAGES

<u>Work Order Price</u>	<u>Liquidated Damages Per Day</u>
Up to \$100,000	\$500
\$100,001 to \$500,000	\$750

JOC Value: The maximum dollar value of this JOC is \$500,000 and for a 12-month contractual period.

**COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES**

JOB ORDER CONTRACT NUMBER 12

BID NUMBER: CDC13-226

Bid Date: November 25, 2013

**COMMUNITY DEVELOPMENT COMMISSION
OF THE
COUNTY OF LOS ANGELES**

CONSTRUCTION CONTRACT

This CONSTRUCTION CONTRACT (or "Contract") is made this ____ day of March, 2014 by and between the **Community Development Commission** of the County of Los Angeles, a body corporate and politic, hereinafter referred to as the "**Commission**" or the "**Owner**", and **World Wide Construction**, hereinafter referred to as the "**Contractor**".

WITNESSETH, that the Owner and the Contractor, for the consideration stated herein, mutually agree as follows:

- A. The Commission is the Owner of that certain real property, commonly known as the Housing Development Name, located at address, hereinafter referred to as the "Property".
- B. The term "Work" includes performance, as set forth in the Contract Documents by the Contractor, for all improvement work on, in and about the Properties.
- C. Owner desires the Contractor to perform the Work on the terms and conditions hereinafter set forth, and Contractor agrees to perform said Work on terms and conditions set forth below.

ARTICLE 1
THE CONSTRUCTION CONTRACT

- 1.1 The Construction Contract means and includes all of the "Contract Documents". The Contract Documents which form the Construction Contract are incorporated herein by this reference and are made a part of this Construction Contract as if fully set forth herein. The Contract Documents consist of the following component parts:

PART A	Instructions to Bidders and General Conditions
PART B	Construction Task Catalog (CTC) and Technical Specifications.
PART C	Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder

ALL ADDENDA TO THE ABOVE CONTRACT DOCUMENTS.

ARTICLE 2
STATEMENT OF WORK

- 2.1 Contractor agrees to perform in a professional manner, to the satisfaction of the Commission's Executive Director, all Work described in the Contract Documents referenced in Article 1.
- 2.2 The Contractor shall be bound by the General Conditions and all other items forming the Contract Documents.
- 2.3 The Contractor shall provide and perform all Work and take all the necessary measures to complete Work on individual Work Orders against this Job Order Contract as described in the General Conditions attached hereto and made a part hereof, in a proper and workmanlike manner in strict accordance with the Contract Documents, and shall perform all other obligations imposed by the Contract.

ARTICLE 3
TIME OF COMMENCEMENT AND COMPLETION

- 3.1 This is an annual Contract for repair, remodeling, or other repetitive work to be done according to unit prices specified in individual Job Orders. The effective date of the Contract shall be the date that the Contract is fully executed. All Job Orders must be issued within one year from the effective date of the Contract. In the event that a Job Order has been timely issued within such one-year period, but the work has not been completed within such period, the work may be completed thereafter, subject to all provisions of this Contract.

The maximum dollar amount that may be ordered under this contract is \$500,000. There is **NO** guaranteed minimum quantity or value of work to be ordered under this contract; and there is **NO** minimum value for individual Job Orders issued under this contract.

The term of each contract will be for one year or expenditure of the maximum value of the contract, whichever occurs first. Job Orders issued prior to but not completed by the expiration of the 12 month contractual period will be completed with all provisions of this Contract still in force.

Performance time for each Job Order issued under this Contract will be determined in accordance with the General Conditions. The Schedule for each individual Job Order will determine at time of job order.

- 3.2 Performance shall be specified in each individual Job Order issued hereunder. Individual Job Order performance time will be negotiated in accordance with Supplemental General Conditions, Article 1.05, entitled "Ordering Procedures." The Contractor may, on individual Work Orders, be required to pay to the Community Development Commission of the County of Los Angeles as liquidated damages a sum in accordance with Supplemental

General Conditions, Article 3.09, entitled "Liquidated Damages" for each calendar day that the Contractor shall be in default on that individual Work Order.

The Contractor shall not be charged with liquidated damages because of any delay in the completion of the Work due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor.

The Owner may withhold, or cause to be withheld, from any monies payable on account of Work performed by the Contractor or subcontractor any accrued liquidated damages, amounts necessary to cover stop notices or alleged labor underpayments.

ARTICLE 4 CONTRACT SUM

- 4.1 The contract is an indefinite-quantity contract for the repair and/or remodel of the items specified. The maximum amount that may be ordered under this contract is stated in 3.1. There is no minimum or maximum value associated with individual Work Orders.

The Contractor shall perform all work required, necessary, proper for or incidental to completing the work called for in each individual Job Order issued against this Job Order Contract using the Construction Task Catalog (CTC) and Technical Specifications incorporated herein using the following adjustment factors:

- 1) Work performed during Normal Working Hours: Contractor shall perform any or all functions called for in the General Conditions during normal working hours in the quantities specified in individual work orders against this contract for the unit price sum specified in the CTC multiplied times the adjustment factor of

.5300
Utilize four decimal places

- 2) Work performed during Other Than Normal Working Hours: Contractor shall perform any or all functions called for in the General Conditions during other than normal working hours in the quantities specified in individual work orders against this contract for the unit price sum specified in the CTC multiplied times the adjustment factor of

.5301
Utilize four decimal places

- 4.2 The Contract Sum set forth herein includes the payment by Contractor of all sales and use taxes required by any local codes, or any law existing or which may hereafter be adopted by federal, state or governmental authority, taxing the materials, services required or labor furnished, and of any other tax levied by reason of the Work to be performed hereunder.

- 4.2 The Contract Sum is not subject to escalation, the Contractor having satisfied him/herself with said Contract Price, which includes all labor and material increases anticipated throughout the duration of this Construction Contract.
- 4.3 The Owner's obligation is payable only and solely from funds appropriated from the Department of Housing and Urban Development (HUD) and for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.

ARTICLE 5

PROGRESS PAYMENTS

- 5.1 Based upon applications for payment submitted by the Contractor to the Owner, and after approval by the Construction Management Division, the Owner shall make progress payments on account of the Contract Sum to the Contractor, as provided in the Instruction to Bidders of the Construction Contract.
- 5.2 Approved applications for progress payments will be paid by the thirtieth day of each month, provided that application for payment has been submitted to the Owner on or before the first working day of the month. Payment shall be subject to all provisions of Section 01003, paragraphs 3.03.A. and B. of the Instructions to Bidders incorporated by reference into the Contract.
- 5.3 The Contractor and each Subcontractor shall submit all required Labor Compliance forms to the Commission before the start of construction. The Contractor shall submit to the Commission all of its payrolls for each pay period within seven (7) days after the pay period has ended. The Contractor shall also collect, review and submit to the Commission all of its subcontractors' payrolls for each pay period within seven (7) days after the pay period has ended. Contractor's failure to submit its payrolls or any subcontractor payrolls within seven (7) days after the pay period has ended, is a violation of this Contract and entitles the Commission to withhold up to ten percent (10%) from any pending progress payment until all such payrolls are received. Repeated, ongoing or flagrant failures by the Contractor to submit the required forms, its payrolls or the payrolls of its subcontractors in a timely manner and in accordance with this provision constitutes a material breach of this Contract which may result in the Commission terminating the Contract for default.
1. Lump Sum Payment – If an individual Work Order is scheduled for completion within 45 days or less, the County will make one payment after 30 days of Work to the Contractor, exclusive of Retention. Contractor may request for one payment (including Retention payment); however, payment will be made after Final Acceptance of the Work Order.
 2. Partial Payment – The County will consider a request for partial payments for Work Orders scheduled for a performance period of greater than 45 days.

ARTICLE 6
PROJECT CLOSEOUT

- 6.1 Prior to occupancy of any dwelling unit, building, or other portion of the project, the Owner shall receive a certificate from the Contractor that such portion of the project is ready for occupancy, and shall cause a Notice of Completion to be issued. A Notice of Completion shall be issued only when the Work, including all phases thereof, is finally completed, and all requirements of this Construction Contract have been satisfied. The Owner shall cause the Notice of Completion to be recorded with the County Recorder.
- 6.2 Upon Issuance of a Notice of Completion, final payment shall be made to the Contractor of the entire unpaid balance of the Contract Sum, including any sums due to the Contractor for changes in the Work approved by the Owner pursuant to Section 01003 paragraph 3.03.E. of the Instruction to Bidders, less any amounts which Owner is entitled to receive from the Contractor under the terms of this Contract or amounts necessary to cover stop notices or alleged labor underpayments, and less the five percent (5%) retention withheld, pursuant to Section 01003 paragraph 3.03.E. of the Instruction to Bidders.
- 6.3 In addition to all other requirements, a Notice of Completion shall be issued only when Owner has received the following:
- A. A Certificate of Completion, executed by Owner.
 - B. All guarantees, warranties and Maintenance & Operational Manuals and any other Submittals required by the Owner, issued by the manufacturers or installers of equipment or other component parts of the project. Contractor guarantees that the equipment, materials, and workmanship, not otherwise covered by a guarantee or warranty, will be free from defects in materials and workmanship for a period of one (1) year following date of final acceptance of the project.
 - C. The waiver and release of all liens, claims of liens, or stop notice rights of the Contractor and all subcontractors, and the Contractor's Certificate and Release.
 - D. Verification from the Architect that Contractor has removed all waste materials, rubbish, tools, construction equipment, machinery, and surplus materials from the project site. If the Contractor has failed to remove any of such items, the Owner may remove such items, and the Contractor shall pay the Owner for all costs incurred in connection with such removal.
- 6.4 After recordation of the Notice of Completion, and expiration of the thirty-day period for filing of stop notices, the Owner shall use reasonable efforts to settle all claims and disputes, notify the Contractor of final acceptance of the project, and make final payment of the entire unpaid balance of the Contract Sum, including the five percent (5%) retention, less any amounts which the Owner is entitled to receive from the Contractor under the terms of this Construction Contract, including liquidated damages, and less amounts necessary to cover stop notices or alleged labor underpayments.

ARTICLE 7
BREACH AND TERMINATION

- 7.1 Waiver by the Owner of any breach of this Construction Contract shall not constitute a waiver of any other breach or of any future breach. No payment made hereunder shall be construed to be an acceptance of defective Work or improper materials.
- 7.2 In addition to any right of termination reserved to the Owner by Section 01003 paragraph 3.10 .of the Instruction to Bidders of the Construction Contract, the Owner may terminate this Construction Contract or performance under this Construction Contract, if the Contractor is adjudged bankrupt, a receiver is appointed because of the Contractor's insolvency, or the Contractor makes a general assignment for the benefit of its creditors, fails to make prompt payment to subcontractor(s), or for material or labor, persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, fails to construct the project in accordance with the Drawings and Specifications, or otherwise substantially violates any provision of the Contract Documents.
- 7.3 The Owner shall give the Contractor and his/her surety written notice prior to terminating this Construction Contract or performance under this Construction Contract, pursuant to Section 01003 paragraph 3.10 of the Instruction to Bidders, provided that the Contractor shall, upon receipt of such notice, immediately stop the installation of improvements, or other permanent construction work encompassing part of the project. Upon termination, the Owner may take possession of the project and all materials, equipment, tools, and construction equipment and machinery owned by the Contractor and located at the project site, and may finish the project by whatever method it may deem expedient. In such case, the Contractor shall not be entitled to receive any further payment under this Construction Contract.
- 7.4 The Owner shall not be deemed to have waived any of its other rights or remedies against the Contractor by exercising its right of termination under this Article.
- 7.5 Termination for Cause: This Contract may be terminated by the Commission upon written notice to the Contractor for cause (failure to perform satisfactorily any of the Contract terms, conditions, and Work items) with no penalties upon termination or upon the occurrence of any of the following events:
- A. Continuing failure of the Contractor to perform any Work required to be performed hereunder in a timely and professional manner, or Contractor is not properly carrying out the provisions of the Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Contractor; and should the Contractor neglect or refuse to provide a means for a satisfactory compliance with this Contract and with the direction of the Commission within the time specified in such notices, the Commission shall have the power to suspend the performance of this Contract by Contractor in whole or in part.

- B. Failure on the part of the Contractor to procure or maintain insurance required by this Contract shall constitute a material breach of contract upon which the Commission may immediately terminate this Contract.
- C. Should the Contractor fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of this Contract, or if the Work to be done under said Contract is abandoned for more than three (3) days by the Contractor, then notice of deficiency thereof in writing will be served upon the Contractor. Should the Contractor fail to comply with the terms of said Contract within five (5) days, upon receipt of said written notice of deficiency, the Executive Director of the Commission shall have the power to suspend or terminate the operations of the Contractor in whole or in part.
- D. In the event that a petition of bankruptcy shall be filed by or against the Contractor.
- E. If, through any cause, the Contractor shall fail to fulfill, in a timely and proper manner, the obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the Commission shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Contract shall, at the option of the Commission become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

7.6 Termination for Improper Consideration: The Commission may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Construction Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any Commission officer, employee or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment or extension of the Contract or the making of any determinations with respect to the Contractor's performance pursuant to the Contract. In the event of such termination, the Commission shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by the Commission officer or employee to solicit such improper consideration. The Report shall be made to the Commission's Executive Director or designee.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

7.7 Termination for Convenience: The Commission reserves the right to cancel this Contract for any reason at all upon thirty (30) days prior written notice to Contractor. In the event of such termination, Contractor shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in such termination.

- 7.8 The Commission's Quality Assurance Plan: The Commission will evaluate Contractor's performance under this Contract on not less than a quarterly basis. Such evaluation will include assessing Contractor's compliance with all Contract terms and performance standards. Contractor deficiencies which the Commission determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by the Commission and the Contractor. If improvement does not occur consistent with the corrective action measures, the Commission may terminate this Contract or pursue other penalties as specified in this Contract.
- 7.9 Non-payment after expiration or termination: Contractor shall have no claim against the Commission for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify the Commission and shall immediately repay all such funds to the Commission. Payment by the Commission for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the Commission's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

ARTICLE 8

MISCELLANEOUS PROVISIONS

- 8.1 Contractor shall give all notices and comply with all laws, rules, regulations, ordinances and orders of any governmental entity relating to the Work. Should Contractor become aware that any provision of the Construction Contract is at variance with any such rule, law, regulation, ordinance or order, he/she shall promptly give notice in writing to the Owner of such variance.
- 8.2 It is hereby declared to be the intention of the parties that the sections, paragraphs, sentences, clauses and phrases of this Construction Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Construction Contract shall be declared unconstitutional, invalid or unenforceable by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality, invalidity or unenforceability shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Construction Contract.
- 8.3 Anything mentioned in the Specifications and not shown on the Drawings, or shown on the Drawings and not mentioned in the Specifications, shall be of like effect as if shown or mentioned in both. In case of difference between Drawings and Specifications, the Specifications shall govern. In case of discrepancy within the Drawings, or within the Specifications, the matter shall be promptly submitted to the Contracting Officer, who shall promptly make a determination in writing. Any adjustment by the Contractor without such a determination by the Contracting Officer shall be at its own risk and expense. The

Contracting Officer shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.

ARTICLE 9

CONTRACTOR APPROVAL

9.1 Contractor's Adherence to the Child Support Compliance Program

Contractor shall: 1) fully comply with all applicable State and Federal reporting requirements relating to employment reporting for its employees; and, 2) comply with all lawfully served Wage and Earnings Assignment Orders and Notice of Assignment and continue to maintain compliance during the term of any contract that may be awarded pursuant to this solicitation. Failure to comply may be cause for termination of a contract or initiation of debarment proceedings against the non-compliant contractor.

9.2 Contractor's Warranty of Adherence to Commission's Child Support Compliance Program

Contractor acknowledges that the Commission has established a goal of ensuring that all individuals who benefit financially from the Commission through a contract, are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers of the County of Los Angeles.

As required by the Commission's Child Support Compliance Program and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall, during the term of this Contract, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department (CSSD) Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

9.3 Termination For Breach of Warranty to Comply with Commission's Child Support Compliance Program

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 9.2, "Contractor's Warranty of Adherence to County's Child Support Compliance Program" shall constitute default under this Contract. Without limiting the rights and remedies available to the Commission under any other provision of this Contract, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the Commission may terminate this Contract pursuant to Paragraphs under 7.5- "Termination for Cause" and pursue debarment of Contractor, pursuant to Commission Policy.

9.4 Post L. A.'s Most Wanted Parents List

Contractor acknowledges that the Commission places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands

that it is the Commission's policy to encourage the Commission contractors to voluntarily post the Commission's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. District Attorney will supply Contractor with the poster to be used.

ARTICLE 10
ADDITIONAL PROVISIONS

- 10.1 This Construction Contract and the obligations of the parties hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of California.
- 10.2 This Construction Contract contains the entire agreement between the parties. No variations, modifications, or changes hereto shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party. All prior negotiations, representations and/or contracts between the parties relative to the subject matters hereof shall be superseded hereby and have no further force and effect.
- 10.3 No consent or waiver, expressed or implied, by either party to or of any breach or default by the other of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of such other party hereunder. Failure on the part of either party to complain of any such act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.
- 10.4 Without limiting Contractor's duties to indemnify and defend as provided in this Contract, Contractor shall procure and maintain, at Contractor's sole expense for the duration of this Contract, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be admitted and approved by the California Department of Insurance and must be included on the California Department of Insurance List of Eligible Surplus Line Insurers (hereinafter "LESLI"). Such carriers must have a minimum rating of or equivalent to A:VIII in Best's Insurance Guide. Contractor shall, concurrent with the execution of this Contract, deliver to the Commission certificates of insurance with original endorsements evidencing the insurance coverage required by this Contract. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Contract, but no later than thirty (30) days following execution of this Contract. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. Contractor shall provide the Commission with certificates of insurance and applicable endorsements each year during the term of this Contract to evidence its annual compliance with the insurance requirements set forth herein. The Commission reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to the Commission and may provide for such deductibles as may be acceptable to the Commission. Any self-insurance program and self-insured retention must be separately approved by the Commission. In the event such insurance does provide for deductibles or self-insurance, Contractor agrees

that it will defend, indemnify and hold harmless the Commission, its elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Each policy shall be endorsed to stipulate that the Commission be given at least thirty (30) days' written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. Contractor shall give the Commission immediate notice of any insurance claim or loss which may be covered by insurance. Contractor represents and warrants that the insurance coverage required herein will also be provided by any entities with which Contractor contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier: Job Order Contract #12

The insurance policies set forth herein shall be primary insurance with respect to the Commission. The insurance policies shall contain a waiver of subrogation for the benefit of the Commission. Failure on the part of Contractor, and/or any entities with which Contractor contracts, to procure or maintain the insurance coverage required herein may, upon the Commission's sole discretion, constitute a material breach of this Contract pursuant to which the Commission may immediately terminate this Contract and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the Commission, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the Commission shall be immediately repaid by the Contractor to the Commission upon demand including interest thereon at the default rate. In the event of such a breach, the Commission shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. Contractor's failure to assert or delay in asserting any claim shall not diminish or impair the Commission's rights against the Contractor or the insurance carrier.

When Contractor or any entity with which Contractor contracts, is naming the Commission as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85. In the alternative and in the Commission's sole and absolute discretion it may accept CG 20 10 10 01 and CG 2037 10 01 in place of CG 20 10 11 85. When any entity with which Contractor is contracting, is naming the Commission as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85.

The following insurance policies shall be maintained by Contractor and any entity with which Contractor contracts for the duration of this Contract unless otherwise set forth herein:

- A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 20 10 85 or it's equivalent) including coverage for personal injury, death, property damage and contractual liability with limits of not less than the following:

General Aggregate	\$2,000,000
Products/ Completed Operations Aggregate	\$2,000,000

Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

This policy shall also include coverage for explosion, collapse, and underground (“XCU”) property damage liability. The Commission, the Community Development Commission of the County of Los Angeles (“Commission”), the County of Los Angeles (“County”) (Commission, Commission and County are hereinafter collectively referred to as “Public Agencies”), and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as “Agents”) shall be covered as additional insureds on such policy.

- B. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. In all cases, the above insurance shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-Policy Limit	\$1,000,000
Disease-Each Employee	\$1,000,000

- C. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each incident. Such insurance shall include coverage of all “owned”, “hired”, and “non-owned” vehicles, or coverage for “any auto.” The Public Agencies and their Agents shall be covered as additional insureds on such policy.

Contractor agrees that it will require that all of the above mentioned insurance requirements be incorporated in its contract with any entity with which it contracts in relation to this Contract or in relation to the Work, property or project that is the subject of this Contract.

- D. CRIME/FIDELITY INSURANCE, including coverage against loss of money, securities, inventory or other property. This insurance shall provide coverage for alleged employee dishonesty, embezzlement, forgery, robbery, safe burglary, computer fraud, wire transfer fraud, counterfeiting, and other criminal acts with limits in amounts not less than indicated below:

Employee Theft Coverage	\$100,000
Forgery Coverage	\$100,000
Client Coverage	\$100,000

- E. POLLUTION LIABILITY INSURANCE including coverage for bodily injury, property damages, and environmental damage with limits of not less than the following:

General Aggregate	\$ 1,000,000
Completed Operations	\$ 1,000,000
Each Occurrence	\$ 500,000

Said policy shall also include, but not be limited to: coverage for any and all remediation costs, including, but not limited to, restoration costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials. The Public Agencies and their Agents shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy is written on a claims-made form, then said policy or policies shall also comply with all of the following requirements:

- (i) The retroactive date must be shown on the policy and must be before the date of this Contract or the beginning of the Work;
- (ii) Insurance must be maintained and evidence of insurance must be provided for the duration of this Contract or for five (5) years after completion of the Work, whichever is greater;
- (iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Contract, then the contractor must purchase an extended period coverage for a minimum of five (5) years after completion of Work;
- (iv) A copy of the claims reporting requirements must be submitted to the Commission for review; and
- (v) If the Work involves lead based paint or asbestos identification/remediation, then the Contractors Pollution Liability shall not contain any lead-based paint or asbestos exclusions.

Contractor agrees that it will require that all of the above mentioned insurance requirements be incorporated in its contract with any entity with which it contracts in relation to this Contract or in relation to the Work, Property or project that is the subject of this Contract.

- F. PROFESSIONAL LIABILITY INSURANCE (if applicable), including coverage for personal injury, death, property damage, and contractual liability in an amount not less than One Million Dollars (\$1,000,000). Said insurance shall be maintained for the statutory period during which the professional may be exposed to liability. Contractor shall require that the aforementioned professional liability insurance coverage language also be incorporated into its contract with any other entity with which it contracts for professional services

10.5 Compliance With Laws

The Contractor agrees to be bound by applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85. If the compensation under this Contract is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act

(42 U.S.C. 18579(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

The Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Contract.

Contractor shall comply with the following laws:

Airport And Airway Improvement Act Of 1982, Section 520 - General Civil Rights Provisions

The contractor assures that it will comply with pertinent statutes, Executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport a program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

Contract Work-hours And Safety Standards Act Requirements 29 CFR Part 5

1.OvertimeRequirements.

No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in paragraph (1) above, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 above, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 above.

3. Withholding for Unpaid Wages and Liquidated Damages. The Federal Aviation Administration or the Sponsor shall upon its own action or upon

written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 above.

4.Subcontractors.

The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section.

Civil Rights Act of 1964, Title VI (Non-discrimination in Federally Assisted Programs)

Title VI provides that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Disadvantaged Business Enterprises

Contract Assurance (§26.13) - The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION - 41 CFR PART 60-2

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.

2. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables

Goals for minority participation for each trade(Vol. 45 Federal Register pg. 65984 10/3/80)

Goals for female participation in each trade (6.9%)

These goals are applicable to all the contractor's construction work (whether or not it is Federal or federally-assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its Federally involved and non-federally involved construction.

The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific

affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training shall be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project, for the sole purpose of meeting the contractor's goals, shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The contractor shall provide written notification to the Director, OFCCP, within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of subcontract; and the geographical area in which the subcontract is to be performed.

4. As used in this notice and in the contract resulting from this solicitation, the "covered area" is [insert description of the geographical areas where the contract is to be performed giving the state, county, and city, if any].

Prompt Payment (§26.29) - The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than **[10]** days from the receipt of each payment the prime contractor receives from **[CDC]**. The prime contractor agrees further to return retainage payments to each subcontractor within [10] days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the **[CDC]**. This clause applies to both DBE and non-DBE subcontractors.

Section 109 of the Housing and Community Development Act of 1974

No person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

Standard Federal Equal Employment Opportunity Construction Contract Specifications - 41 CFR Part 60.4.3

Trade Restriction Clause

The contractor or subcontractor, by submission of an offer and/or execution of a contract, certifies that it:

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or

controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;

c. has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the Federal Aviation Administration may direct through the Sponsor cancellation of the contract at no cost to the Government.

Further, the contractor agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

The contractor shall provide immediate written notice to the sponsor if the contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Sponsor cancellation of the contract or subcontract for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

Veteran's Preference

In the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Veterans of the Vietnam era and disabled veterans as defined in Section 515(c)(1) and (2) of the Airport and Airway Improvement Act of 1982. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973

No person in the United States shall be excluded from participating in, be denied the benefits of, or be subjected to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

Executive Order 11246 and 11375, Equal Opportunity in Employment (Nondiscrimination in Employment by Government Contractors, Subcontractors, and Contractors)

During the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Commission's contracting officer, advising the labor union or workers' representatives of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulation and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by the Executive Order No. 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, will permit access to his/her books, records, and accounts by the Commission and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Order and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance; provided however, that in the event the Contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

Section 3 of the Housing and Community Development Act of 1968, as Amended

requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

- A. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- C. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The Contractor will certify that any vacant employment positions, including training positions, that are filled (i) after the Contractor is selected but before the Contract is executed, and (ii) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with Section 3 covered Indian Housing Assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

10.6 Access and Retention of Records

The Contractor shall provide access to the Commission, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of the Contractor which are directly pertinent to the specific Contract for the purpose of making audits, examinations, excerpts and transcriptions. The Contractor is required to retain the aforementioned records for a period of five (5) years after the Commission pays final payment and other pending matters are closed.

10.7 Conflict of Interest

The Contractor represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venturer or shareholder (other than as a shareholder holding a one percent (1%) or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Commission. Upon execution of this Contract and during its term, as appropriate, the Contractor shall disclose in writing to the Commission, any other contract or employment during the term of this Contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Commission's interest and the interests of the third parties.

10.8 Indemnification

The Contractor shall indemnify, defend, and hold harmless the Public Agencies and their Agents from and against any and all liability, demands, damages, claims, causes of action, fees (including reasonable attorney's fees and costs and expert witness fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "Liabilities"), arising from or connected with Contractor's acts, errors, and/or omissions arising from and/or relating to this Contract. Contractor shall not be required to indemnify, defend, and hold harmless the Public Agencies and their Agents from any Liabilities that arise from the active negligence, sole negligence or willful misconduct of the Public Agencies, Public Agencies' agents, servants, or independent contractors who are directly responsible to the Public Agencies.

In the event that the Contractor provides design professional services in relation to this Contract, Work, Property or project that is the subject of this contract, Contractor agrees to

indemnify, defend, and hold harmless Public Agencies and their Agents from and against any and all Liabilities that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of contractor, In the event that Contractor contracts with another entity for design Professional services (hereinafter “ Design Professional Entity”) to be provided in relation to this Contract , Work, Property or project that is the subject of this Contract, (hereinafter “ Contractor-Design Professional Entity Contract”), Contractor agrees that language at least equivalent to the language in this paragraph, in favor of the Public Agencies and their Agents, shall be incorporated in the Contactor-Design Professional Entity Contract so that Design Professional Entity shall also indemnify the Public Agencies and their Agents.

The above indemnification language, or language substantially similar thereto, in favor of the Public Agencies, shall also be incorporated in Contractor’s contracts with any and all entities with which it contracts in relation to the Contract, Work, or property or project that is the subject of this Contract. These indemnification provisions shall remain in full force and effect and survive the termination and/or expiration of this Contract.

10.09 Omitted

10.10 Assignment

The Contractor shall not assign its rights or delegate its duties under the Contract, or both, whether in whole or in part, without the prior written consent of the Commission, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, Commission consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the Commission to any approved delegate or assignee on any claim under the Contract shall be deductible, at the Commission's sole discretion, against the claims, which the Contractor may have against the Commission. However, the Commission reserves the right to assign this Contract to another public agency without the consent of the Contractor.

Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is affected in such a way as to give majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the Commission in accordance with applicable provisions of this Contract.

Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the Commission's express prior written approval, shall be a material breach of the Contract which may result in the termination of the Contract. In the event of such termination, the Commission shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

10.11 Confidentiality of Reports

The Contractor shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Commission.

10.12 Severability

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

10.13 Safety Standards and Accident Prevention

The Contractor shall comply with all applicable Federal, state and local laws governing safety, health and sanitation. The Contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions, on his/her own responsibility, reasonably necessary to protect the life and health of employees on the job and the public and to protect property in connection with the performance of this Contract.

10.14 Drug Free Workplace Act of the State of California

The Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

10.15 Copyright

No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. All documents become the property of the Commission and the Commission holds all the rights to said data.

10.16 Independent Contractor

The Contractor shall perform the services as contained herein as an independent contractor and shall not be considered an employee of the Commission, or under Commission supervision or control. This Contract is by and between the Contractor and the Commission, and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, between the Commission and the Contractor.

10.17 Waiver

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

10.18 Notices

The Commission shall provide Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Contract to the extent that the

Commission has actual knowledge of such injury or damage. The Commission shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Contract shall be in writing and shall be addressed to the representative of each Party.

Owner:

Community Development Commission
Terry Gonzalez, Contracting Officer
700 W. Main St.
Alhambra, CA 91801

Contractor:

World Wide Construction
Albert Holguin, President
1621 W. 25th St., Suite 266
San Pedro, CA 90732

Notices shall be deemed delivered on the third day after posting by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. Commission and Contractor may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

10.19 Interpretation

No provision of this Contract is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if it were drafted by both parties hereto.

10.20 Employees of Contractor

Workers' Compensation: Contractor understands and agrees that all persons furnishing services to the Commission pursuant to this Contract are, for the purposes of workers' compensation liability, employees solely of Contractor. Contractor shall bear sole responsibility and liability for providing Workers' Compensation benefits to any person for injury arising from an accident connected with services provided to the Commission under this Contract.

Professional Conduct: The Commission does not and will not condone any act, gestures, comments or conduct from the Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activity or behavior that might be construed as harassment. The Commission will properly investigate all charges of harassment by residents, employees, agents or subcontractors and is responsible for taking appropriate action after reports of harassment are received by the Contractor.

Key Personnel

Please reference to the General Conditions Section 01003, Section 01003, Part 1.02.

10.21 Patent Rights

The Commission will hold all the patent rights with respect to any discovery or invention which arises or is developed in the course of, or under, this Contract.

10.22 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal

income tax laws. Such notice shall be provided in accordance with the requirements set forth in Attachment A, Internal Revenue Service Notice 1015.

10.23 Use of Recycled-Content Paper Products

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on the project.

10.24 Contractor Responsibility and Debarment

- A. A responsible Contractor is a contractor, consultant, vendor or operating agency who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Commission, Commission, and County to conduct business only with responsible contractors.
- B. The Contractor is hereby notified that if the Commission acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the Commission may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on Commission contracts for a specified period of time, which generally will not to exceed five years but may exceed five years or be permanent if warranted by circumstances, and terminate any or all existing contracts the Contractor may have with the Commission.
- C. The Commission may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with the Commission, Commission, or County or a nonprofit corporation created by the Commission, Commission, or County, (2) committed an act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with the Commission, Commission, or County, any other public entity, a nonprofit corporation created by the Commission, Commission, or County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the Commission, Commission, County, or any other public entity.
- D. If there is evidence that the Contractor may be subject to debarment, the Commission will notify the Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the

Commission shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Commissioners.

- F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contract Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
- G. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The Commission may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the Commission.
- H. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the ground for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment Hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

- I. These terms shall also apply to subcontractors and subconsultants of County, Commission, or Commission contractors, consultants, vendors and agencies.

10.25 Compliance With Jury Service Program

- 1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program or that Contractor qualifies for an exception to the Jury Service Program, Contractor shall have and adhere to a written policy that provides that its Employees shall receive

from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the Commission or a subcontract with an Commission contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more Commission contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the Commission, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the Commission under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify the Commission if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The Commission may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the Commission's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this Section of the Contract may constitute a material breach of the Contract. In the event of such material breach, the Commission may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future Commission contracts for a period of time consistent with the seriousness of the breach.

10.26 Notice to Employees regarding The Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheets are set forth in Attachment B of this Contract and are also available on the Internet at www.babysafela.org for printing purposes.

10.27 Contractor's Acknowledgment of Commission's Commitment to the Safely Surrendered Baby Law

The Contractor acknowledges that the Commission places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the Commission's policy to encourage all Commission contractors to voluntarily post the "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

10.28 Contractor's Charitable Contributions Compliance

The Supervision of Trustees and Fundraisers for Charitable Purpose Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purpose Act requirements. By requiring Contractors to complete the Charitable Contributions Certification as included in Part C of the Contract Documents, the Authority seeks to ensure that all Authority contractors that receive or raise charitable contributions comply with California law in order to protect the Authority and its taxpayers. A Contractor that receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings, or both.

10.29 Contractor's Warranty Of Compliance With County's Defaulted Property Tax Reduction Program

The Contractor acknowledges that the County of Los Angeles (County) has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with the County's Defaulted Tax Program pursuant to Los Angeles County Code, Chapter 2.206.

10.30 Termination For Breach Of Warranty To Maintain Compliance With County's Defaulted Property Tax Reduction Program

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 10.29, "Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this Contract. Without limiting the rights and remedies available to the Commission under any other provision of this Contract, failure of the Contractor to cure such default within 10 days of notice shall be grounds upon which the Commission may terminate this contract and/or pursue debarment of the Contractor, pursuant to County's Defaulted Property Tax Reduction Program, to Los Angeles County Code, Chapter 2.206.

10.31 Entire Contract

This Contract with attachments constitutes the entire understanding and agreement of the parties.

[illegible]

IN WITNESS WHEREOF, the parties hereto have executed this Construction Contract on the date and year first written above.

OWNER

COMMUNITY DEVELOPMENT
COMMISSION OF THE COUNTY OF
LOS ANGELES, A BODY
CORPORATE AND POLITIC

By: _____

SEAN ROGAN

Title: EXECUTIVE DIRECTOR

Date: _____

CONTRACTOR

WORLD WIDE CONSTRUCTION
License Number: 858393

By: _____

ALBERT HOLGIUN
PRESIDENT

Title:

Date: _____

APPROVED AS TO PROGRAM:

TERRY GONZALEZ

Title: CONTRACTING OFFICER

Date: _____

APPROVED AS TO FORM
Office of County Counsel,
John F. Krattli
County Counsel

BUSINESS ADDRESS

1621 W. 25th St., Suite 266
San Pedro, CA 90732

By: _____

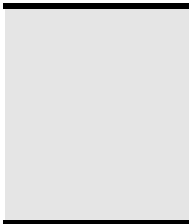
Deputy

Telephone: (310) 832-0789

Fax: (310) 832-2793

CORPORATE SEAL

Required Signatures:



If sole proprietor, one signature of sole proprietor.

If partnership, the signature of at least one general partner authorized to sign contracts on behalf of the partnership.

If Corporation, the signatures of those officers required to sign contracts on behalf of the Corporation, and the Corporate Seal.



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2005)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2005 are less than \$37,263 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2006.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676, or from the IRS website at www.irs.gov.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2005 instructions for Form 1040, 1040A, 1040EZ, or Pub. 596, Earned Income Credit (EIC).

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2005 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2005 and owes no tax but is eligible for a credit of \$799, he or she must file a 2005 tax return to get the \$799 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2006 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15 (Circular E), Employer's Tax Guide.

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

In Los Angeles County: 1 877 BABY SAFE 1 877 222 9723

www.babysafela.org

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

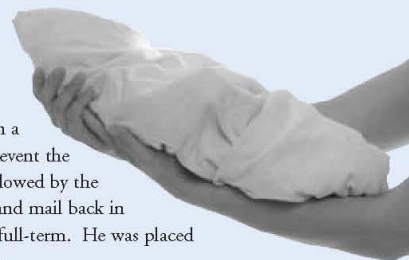
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.

